

GARFIELD SCHOOL DISTRICT NO. 302
Whitman County, Washington
September 1, 1991 Through August 31, 1993

Schedule Of Findings

1. The District Should Adhere To State Laws And Regulations And School District Policies

Our audit of the district's revolving fund disbursements, credit card usage, and travel procedures disclosed the following reportable conditions:

a. Revolving Fund

Disbursements are being processed through the revolving fund on a consistent basis. The district made payments for reimbursement of travel related expenses, advance travel and travel allowances, and purchases of goods and services. These payments are not considered to be minor disbursements requiring immediate payment through the revolving fund as discussed in the Superintendent of Public Instruction's (SPI) *Accounting Manual For Public School Districts in the State of Washington*, Chapter 3, Section G-4, page 3. These disbursements should be paid through the accounts payable/vouchering system or through an advance travel imprest account. The above procedures are followed because district officials believe this is a more expedient method for accomplishing these transactions.

b. Charge Cards

Charge cards are used for non-travel related expenditures. Washington State statute, RCW 42.24.115, restricts the use of credit cards to cover expenses incident to authorized travel. Although district officials stated that they were unaware of the state regulations regarding the use of charge cards, the district's current procedures are in violation of the state law.

c. Travel Procedures

Our review of the district's travel expenditures revealed the following conditions:

(1) Signature of the claimant was not always obtained to certify that the travel was incurred on official district business.

(2) District officials and employees who used the charge cards for travel did not submit itemized expense vouchers to document the validity and necessity of such charges.

(3) Itemized travel expense vouchers were not always prepared to obtain reimbursement of travel expenses incurred.

(4) Statement of the purpose, dates, and time travel charges that were incurred was not always documented.

(5) Reimbursements for travel related expenses were often being paid out of the district's revolving account rather than the accounts payable system.

The SPI's *Accounting Manual For Public School Districts in the State of Washington*, Chapter 3, Section G-4, page 3, states in part:

Imprest Bank Accounts . . . These accounts are any sum of money or tangible asset set aside for a specific purpose, usually for minor disbursements, requiring immediate action outside the normal formal vendor invoice and payment voucher system (accounts payable).

RCW 42.24.130 states in part:

The legislative body of a municipal corporation . . . wishing to make advance payments of travel expenses to officials and employees . . . will establish, in the manner that local legislation is officially enacted, a revolving fund to be used solely for the purpose of making advance payments of travel expenses.

RCW 42.24.115 states in part:

(1) Any municipal corporation or political subdivision may provide for the issuance of charge cards to officers for the sole purpose of covering expenses incident to authorized travel.

(2) Upon billing or no later than ten days of the billing date, the officer or employee using a charge card issued under this section shall submit a fully itemized travel expense voucher. Any charges against the charge card not properly identified on the travel expense voucher or not allowed following the audit required under RCW 42.24.080 shall be paid by the official or employee by check, United States currency, or salary deduction.

RCW 42.24.090 also states in part:

No claim for reimbursement of any expenditures by officers or employees of any municipal corporation or political subdivision of the state for transportation, lodging, meals, or any other purpose shall be allowed by any officer, employee or board charged with auditing accounts unless the same shall be presented in a detailed account

The SPI's *Accounting Manual For Public School Districts in the State of Washington*, Chapter 3, Section G-4, page 1, states in part:

A certification statement with the following language must be included on the claim instrument:

I hereby certify under penalty of perjury that this is a true and correct claim for necessary expenses incurred by me and no payment has been received on account thereof.

Garfield School District policy states in part:

The actual and necessary expenses of a director, administrator, or staff member incurred in the course of performing services for the district may be reimbursed in accordance with the approval and reimbursement procedures of the district.

Travel requests must be approved by the staff member's immediate supervisor prior to submission to the superintendent.

Without adherence to the district procedures and statutory requirements the district cannot be sure that the expenditure of public moneys are properly authorized and legally spent.

We recommend that district officials ensure that revolving fund disbursements, credit card usage, and travel procedures are in accordance with state statute and regulations, and the district's policies.